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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके
Separate paging is given to this Part in order that it may be filed as a separate compilation

LOK SABHA

The following Bills were introduced in Lok Sabha on 6th December, 1993:—

BILL No. 98 OF 1993

A Bill further to amend the State Bank of India Act, 1955.

BE it enacted by Parliament in the Forty-fourth Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the State Bank of India (Amendment) Act, 1993.

(*2*) It shall be deemed to have come into force on the 15th day of October, 1993.

Amendment of section 4.

23 of 1955.

2. In section 4 of the State Bank of India Act, 1955 (hereinafter referred to as the principal Act),—

(*i*) for the words "twenty lakhs", the words "two crores" shall be substituted;

(*ii*) for the words "one hundred rupees", at both the places where they occur, the words "ten rupees" shall be substituted.

Substitution of new section for section 11.

3. For section 11 of the principal Act, the following section shall be substituted, namely:—

Restrictions on voting rights.

"11. No shareholder, other than the Reserve Bank, shall be entitled to exercise voting rights in respect of any shares held by him in excess of ten per cent. of the issued capital:

Provided that such shareholder shall be entitled to exercise voting rights at such higher percentage as the Central Government may, after consultation with the Reserve Bank, specify.".

Amendment of section 12.

4. In section 12 of the principal Act, for the words and figures "Banking Companies Act, 1949", the words and figures "Banking Regulation Act, 1949" shall be substituted.

Substitution of new section for section 13.

5. For section 13 of the principal Act, the following section shall be substituted, namely:—

Register of shareholders.

"13. (*1*) The State Bank shall keep at its Central Office, a register, in one or more books of the shareholders, and shall enter therein the following particulars so far as they may be available:—

(*i*) the names, addresses and occupations, if any, of the shareholders and a statement of the shares held by each shareholder, distinguishing each share by its denoting number;

(*ii*) the date on which each person is so entered as a shareholder;

(*iii*) the date on which any person ceases to be a shareholder; and

(*iv*) such other particulars as may be prescribed.

(*2*) Notwithstanding anything contained in sub-section (*1*), it shall be lawful for the State Bank to keep the register of shareholders in computer floppies or diskettes subject to such safeguards as may be prescribed.

(*3*) Notwithstanding anything contained in the Indian Evidence Act, 1872, a copy of, or extract from, the register of shareholders, certified to be a true copy under the hand of an officer of the State Bank authorised in this behalf, shall, in all legal proceedings, be admissible in evidence.". 1 of 1872.

Omission of section 14.

6. Section 14 of the principal Act shall be omitted.

Substitution of new section for section 15.

7. For section 15 of the principal Act, the following section shall be substituted, namely:—

Trust not to be entered on the register of shareholders.

"15. No notice of any trust, express, implied or constructive, shall be entered on the register of shareholders or be receivable by the State Bank.".

8. In section 19 of the principal Act,— Amendment of section 19.

(*i*) in the opening portion, the brackets and figure "(*1*)" shall be omitted;

(*ii*) in clause (*c*), for the words "principal register", the words "register of shareholders" shall be substituted.

9. In section 20 of the principal Act,— Amendment of section 20.

(*a*) in sub-section (*3*), the words, brackets and figure "of sub-section (*1*)" shall be omitted;

(*b*) in sub-section (*3A*), for the words, brackets, figures and letter "of sub-section (*1*) of section 19 or nominated under clause (*d*) of that sub-section", the words, figures, brackets and letter "of section 19 or nominated under clause (*d*) of that section" shall be substituted;

(*c*) in sub-section (*4*), for the words, brackets, figures and letters "of sub-section (*1*) of section 19 or nominated under clause (*d*) or clause (*e*) or clause (*f*) of that sub-section", the words, figures, brackets and letters "of section 19 or nominated under clause (*d*) or clause (*e*) or clause (*f*) of that section" shall be substituted.

10. In section 21 of the principal Act,— Amendment of section 21.

(*a*) in sub-section (*1*),—

(*i*) for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) all such drectors elected or nominated to the Central Board under clause (*c*) or clause (*d*) of section 19 as are ordinarily resident in the area falling within the jurisdiction of the local head office;";

(*ii*) clause (*d*) shall be omitted;

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Where as a result of the establishment of any local head office (hereinafter referred to as the new local head office) for any area which is already falling within the jurisdiction of another local head office (hereinafter referred to as the existing local head office) a Local Board (hereinafter referred to as the new Local Board) is constituted for the new local head office, any person who is, at the time of such constitution, holding office as a member of a Local Board (hereinafter referred to as the existing Local Board) for an existing local head office under clause (*c*) of sub-section (*1*) and is ordinarily resident in the area falling within the jurisdiction of the new local head office, shall cease to hold office as member of the existing Local Board and shall become a member of the new Local Board and shall on becoming such member be deemed to have been nominated to the new Local Board and shall hold office as such member for the unexpired portion of his term of office as a member of the existing Local Board.";

(c) sub-section (4) shall be omitted;

(d) for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) The Governor of the Reserve Bank shall, in consultation with the chairman, appoint—

(a) a member of a Local Board nominated under clause (c) of sub-section (1) to be the president thereof; and

(b) a member of a Local Board holding office under clause (b) or nominated under clause (c) of that sub-section to be the vice-president thereof.".

Amendment of section 21A.

11. In section 21A of the principal Act, sub-section (2) shall be omitted.

Amendment of section 21B.

12. In section 21B of the principal Act, for the words "served by the branch register", the words "falling within the jurisdiction" shall be substituted.

Amendment of section 22.

13. In section 22 of the principal Act,—

(a) in sub-section (1),—

(i) in clause (da), in the opening portion, the words, brackets and figure "of sub-section (1)" shall be omitted;

(ii) for clause (h), the following clause shall be substituted, namely:—

"(h) in the case of an elected director, he is not registered as a holder in his own right of unencumbered shares in the State Bank of a nominal value of at least five thousand rupees:

Provided that in the case of a director appointed under clause (ca) or clause (cb) of section 19, the disqualification mentioned in clause (d) shall not operate.";

(b) in sub-section (4), in clause (a), for the words and figures "Banking Companies Act, 1949", the words and figures "Banking Regulation Act, 1949" shall be substituted.

Amendment of section 24.

14. In section 24 of the principal Act,—

(a) in sub-section (3), for the words, brackets and figures "of sub-section (1)" shall be omitted;

(b) in sub-section (4), the words, brackets and figure "of sub-section (1)" shall be omitted;

(c) sub-section (5) shall be omitted.

Amendment of section 25.

15. In section 25 of the principal Act,—

(*a*) in sub-section (*2*), in the portion beginning with the words "clause (*cb*) of sub-section (*1*)" and ending with the words "as the case may be,", the following shall be substituted, namely:—

"clause (*cb*) of section 19 or of a member of a Local Board other than the chief general manager, the vacancy shall be filled—

(*a*) in the case of an elected director, by election; and

(*b*) in the case of a director nominated under clause (*d*) of section 19 or a member of a Local Board nominated under clause (c) of sub-section (*1*) of section 21, by nomination in consultation with the Reserve Bank:

Provided that where the duration of the vacancy in the office of an elected director is likely to be less than six months, the vacancy may be filled by the remaining directors";

(*b*) in sub-section (*4*), the words, brackets and figure "of sub-section (*1*)" shall be omitted.

Amendment of section 31.

16. In section 31 of the principal Act, in the proviso to sub-section (*3*), in clause (*iii*), the words, brackets and figures "of sub-section (*1*)" shall be omitted.

Amendment of section 35.

17. In section 35 of the principal Act, in sub-section (*10*), in clause (*a*), for the words and figures "Banking Companies Act, 1949", the words and figures "Banking Regulation Act, 1949" shall be substituted.

Amendment of section 36.

11 of 1922. 43 of 1961.

18. In section 36 of the principal Act, in sub-section (*4*), for the words and figures "Indian Income-tax Act, 1922", the words and figures "Income-tax Act, 1961" shall be substituted.

Amendment of section 49.

19. In section 49 of the principal Act, in sub-section (*2*), in clause (*c*), the words, brackets and figure "of sub-section (*1*)" shall be omitted.

Amendment of section 50.

20. In section 50 of the principal Act, in sub-section (*2*),—

(*i*) for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) the maintenance of register of shareholders, and the particulars to be entered in such register in addition to those specified in section 13, the safeguards to be observed in the maintenance of register of shareholders on computer floppies or diskettes, the inspection and closure of the register of shareholders and all other matters connected therewith;";

(*ii*) in clause (*c*), for the words "served by the different branch registers", the words "falling within the jurisdiction of each local head office" shall be substituted.

(*iii*) after clause (*c*), the following clause shall be inserted, namely:—

"(*ca*) the determination of areas falling within the jurisdiction of each local head office;";

(*iv*) in clause (*j*), the words "on branch registers" shall be omitted.

Transitional provisions.

21. (*1*) As soon as may be after the commencement of the State Bank of India (Amendment) Act, 1993 all branch registers kept by the State Bank at its local head offices, immediately before such commencement, shall be closed and transferred to the Central Office.

(2) All applications or matters relating to the shares in the branch registers referred to in sub-section (*1*) pending at the local head offices immediately before the commencement of the State Bank of India (Amendment) Act, 1993 shall be transferred to the Central Office and dealt with, or disposed of, as if such applications or matters were made to, or pending with, the Central Office.

(3) Every shareholder of the State Bank holding shares in the denomination of one hundred rupees immediately before the commencement of the State Bank of India (Amendment) Act, 1993 shall be entitled to have the share certificates held by him replaced by share certificates of shares of equivalent value in the denomination of ten rupees in accordance with the procedure specified by the State Bank in this behalf.

Amendment of Act 66 of 1988.

22. For section 13 of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988, the following section shall be substituted, namely:—

Amendment of section 21A.

"13. In section 21A of the State Bank Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Subject to the provisions contained in this section and in sub-section (*2*) of section 21, a member of a Local Board nominated under clause (*c*) of sub-section (*1*) of section 21 shall hold office for such term, not exceeding three years, as the Central Government may specify in this behalf and thereafter until his successor has been duly nominated and shall be eligible for renomination:

Provided that no such director shall hold office continuously for a period exceeding six years.";

(*b*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*5*) A member of a Local Board nominated under clause (*c*) of sub-section (*1*) of section 21 shall hold office during the pleasure of the Central Government.".

Ord. 33 of 1993.

Repeal and saving.

23. (1) The State Bank of India (Amendment) Ordinance, 1993 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

Following the recommendations of the Committee on the Financial System (Narasimham Committee) the Reserve Bank of India had introduced a new set of norms for income recognition and provisioning and also for capital adequacy in relation to risk weighted assets. These norms were designed to put the financial accounting and prudential standards of Indian banks on a sound footing in line with current international practice. Following the introduction of these norms, all the nationalised banks as well as the State Bank of India will have to build up their capital base substantially over the next 3 years. All banks have to ensure that their total capital equals at least 8 per cent. of their risk weighted assets by 31st March, 1996. This norm has to be reached by 31st March, 1994 in the case of banks having overseas operations.

2. Achievement of the prescribed capital adequacy norms is essential for the basic financial health of the banking system. It is also essential for its international credibility since banks all over the world are adopting these standards which were laid down by the committee on Banking Regulations and Supervisory Practices set up by the Bank of International Settlements.

3. State Bank of India, being a bank with overseas operations, is required to reach a capital adequacy ratio of 8 per cent. by 31st March, 1994. For this purpose, the State Bank of India is required to mobilise substantial additional resources from the market. The Bank is, therefore, coming out shortly with a rights-cum-public issue.

4. With a view to comply with the guidelines issued by the Securities and Exchange Board of India and also to enable the bank to attract a large number of smaller individual investors and keeping in view the current market preference, certain amendments in the State Bank of India Act, 1955 are necessary to provide for (i) reduction in the face value of Bank's share from Rs. 100 to Rs. 10; (ii) removal of restriction of 200 shares on individual holding (iii) raising of ceiling placed on voting rights from 1 per cent, to 10 per cent.; (iv) doing away with the maintenance of branch registers at Local Head Offices; (v) maintenance of central register at the Central Office and to keep that register in computer floppies or diskettes; and (iv) other consequential amendments on account of abolition of branch registers.

5. As Parliament was not in session, the President promulgated the State Bank of India (Amendment) Ordinance, 1993 (Ord. No. 33 of 1993) on the 15th October, 1993.

6. The Bill seeks to replace the above Ordinance.

NEW DELHI,

The 25th November, 1993. MANMOHAN SINGH

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill seeks to amend section 11 of the State Bank of India Act, 1955 to provide that no shareholder, other than the Reserve Bank of India, shall be entitled to exercise voting rights in respect of any shares held by him in excess of 10 per cent. of the issued capital provided that such shareholder shall be entitled to exercise voting rights at such higher percentage as the Central Government may, after consultation with the Reserve Bank, specify.

2. Clause 5 of the Bill seeks to substitute section 13 of the State Bank of India Act, 1955 to provide, *inter alia*, that it shall be lawful for the State Bank to keep the register of shareholders in computer floppies or diskettes subject to such safeguards as may be prescribed. The safeguards would be prescribed by means of regulations for framing of which necessary provisions have been made in section 50 of the Act as contained in clause 20 of the Bill. Consequent upon the abolition of the branch registers, regulations are required to be framed for determination of areas falling within the jurisdiction of each Local Head Office. For this purpose a new clause is proposed to be inserted in section 50(2) of the Act as provided in clause 20 of the Bill.

3. The matters in respect of which notifications may be issued or regulations may be made in accordance with the aforesaid provisions are matters of procedure and detail. The delegation of legislative power contained in such provisions is, therefore, of a normal character.

BILL No 99 OF 1993

A Bill to amend the Chief Election Commissioner and other Election Commissioner (Conditions of Service) Act, 1991.

BE it enacted by Parliament in the Forty-fourth Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Chief Election Commissione and other Election Commissioner (Conditions of Service) Amendment Act, 1993.

(*2*) It shall be deemed to have come into force on the 1st day of October, 1993.

Amendment of long title.

2. In the Chief Election Commissioner and other Election Commissioners (Conditions of Service) Act, 1991 (hereinafter referred to as the principal Act), in the long title, for the words "and for matters", the words "and to provide for the procedure for transaction of business by the Election Commission and for matters" shall be substituted. 71 of 1991.

Amendment of section 1.

3. In section 1 of the principal Act, for the words and brackets "the Chief Election Commissioner and other Election Commissioners (Conditions of Service)", the words and brackets "the Election Commission (Conditions of Service of Election Commissioners and Transaction of Business)" shall be substituted.

Amendment of section 2.

4. In section 2 of the principal Act, clause (*b*) shall be re-lettered as clause (*c*) and before clause (*c*) as so re-lettered, the following clause shall be inserted, namely:—

(*b*) "Election Commission" means the Election Commission referred to in article 324 of the Constitution;

Amendment of section 3.

5. In section 3 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) the brackets and figure "(*1*)" shall be omitted;

(*ii*) after the words "Chief Election Commissioner", the words "and other Election Commissioners" shall be inserted;

(*b*) in sub-section (*2*), the brackets, figure and words "(*2*) There shall be paid to an Election Commissioner a salary which is equal to the salary of a Judge of a High Court:" shall be omitted.

Amendment of section 4.

6. In section 4 of the principal Act, for the first proviso, the following proviso shall be substituted, namely:—

"Provided that where the Chief Election Commissioner or an Election Commissioner attains the age of sixty-five years before the expiry of the said term of six years, he shall vacate his office on the date on which he attains the said age.".

Amendment of section 6.

7. In section 6 of the principal Act,—

(*a*) in sub-section (*2*),—

(*i*) after the words "Chief Election Commissioner", the words "or an Election Commissioner" shall be inserted;

(*ii*) for the word, brackets and figure "sub-section (*4*)", the word, brackets and figure "sub-section (*3*)," shall be substituted;

(*b*) sub-section (*3*) shall be omitted;

(*c*) sub-section (*4*) shall be re-numbered as sub-section (*3*) and in sub-section (*3*) as so re-numbered, in clause (*b*), the words "or as the case may be, sixty-two years," shall be omitted.

Amendment of section 8.

8. In section 8 of the principal Act, for the portion beginning with the words "for the time being, applicable to", and ending with the words "apply to an Election Commission", the following shall be substituted, namely:—

"for the time being, applicable to a Judge of the Supreme Court under Chapter IV of the Supreme Court Judges (Conditions of Service) Act, 1958 and the rules made thereunder, shall, so far as may be, apply to the Chief Election Commissioner and other Election Commissioners.".

41 of 1958.

Insertion of new Chapter III.

9. After section 8 of the principal Act the following Chapter shall be inserted, namely:—

"CHAPTER III

TRANSACTION OF BUSINESS OF ELECTION COMMISSION

Transaction of business of Election Commission.

9. The business of the Election Commission shall be transacted in accordance with the provisions of this Act.

Disposal of business by Election Commission.

10. (*1*) The Election Commission may, by unanimous decision, regulate the procedure for transaction of its business as also allocation of its business amongst the Chief Election Commissioner and other Election Commissioners.

(*2*) Save as provided in sub-section (*1*), all business of the Election Commission shall, as far as possible, be transacted unanimously.

(*3*) Subject to the provisions of sub-section (*2*), if the Chief Election Commissioner and other Election Commissioners differ in opinion on any matter, such matter shall be decided according to the opinion of the majority.".

Repeal and saving.

10. (*1*) The Chief Election Commissioner and other Election Commissioners (Conditions of Service) Amendment Ordinance, 1993 is hereby repealed. Ord. 32 of 1993.

(*2*) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The President in exercise of his powers under article 324(2) of the Constitution fixed the number of Election Commissioners other than the Chief Election Commissioner at two with effect from 1.10.1993. To provide for better transaction of business in the multi-member Election Commission as also to bring on par the conditions of service of Election Commissioners with that of the Chief Election Commissioner in matters relating to salary, term of office, pension and other conditions of service, the President promulgated the Chief Election Commissioner and other Election Commissioners (Conditions of Service) Amendment Ordinance, 1993 on 1.10.1993.

2. The Bill seeks to replace the aforesaid Ordinance.

NEW DELHI;
The 25th November, 1993. H. R. BHARDWAJ.

FINANCIAL MEMORANDUM

The Bill seeks to bring on par the salary and other conditions of service of the Election Commissioners with that of Chief Election Commissioner. The President in exercise of his power under article 324(2) of the Constitution has appointed two Election Commissioners with effect from 1.10.1993 thereby making Election Commission a three-member body. It would involve an additional recurring expenditure of approximately rupees 23.96 lakhs per annum and additional non-recurring expenditure of approximately rupees 11.70 lakhs from the Consolidated Fund of India.

BILL NO. 104 OF 1993

A Bill further to amend the President's Emoluments and Pension Act, 1951.

BE it enacted by Parliament in the Forty-fourth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the President's Emoluments and Pension (Amendment) Act, 1993.

Amendment of section 2 of Act 30 of 1951.

2. In section 2 of the President's Emoluments and Pension Act, 1951, in sub-section (2) after clause (c), the following clause shall inserted, namely:—

"(d) to travel anywhere in India, accompanied by one person, by the highest class by air, rail or steamer.".

STATEMENT OF OBJECTS AND REASONS

Under section 2 of the President's Emoluments and Pension Act, 1951 retired Presidents are entitled to the use of a furnished residence without payment of rent, a telephone and a motor car free of charge and secretarial staff consisting of private secretary, a personal assistant and a peon. They are not entitled to free travel, except for travel undertaken by them for medical attendance. In order to enable them to maintain the dignity of the august office held by them, it is proposed to amend the said Act so as to provide for their free travel by the highest class by air, rail or steamer accompanied by one person anywhere in India.

2. The Bill seeks to achieve the above object.

NEW DELHI; S. B. CHAVAN.
The 24th November, 1993.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 1/3/92-M&G, dated 24 November, 1993 from Shri S. B. Chavan, Minister of Home Affairs to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the President's Emoluments and Pension (Amendment) Bill, 1993, recommends for introduction in Lok Sabha under article 117(1) of the Constitution and for its consideration by Lok Sabha under article 117(3) of the Constitution.

FINANCIAL MEMORANDUM

Clause 2 of the Bill provides for the free travel by air, rail or steamer, along with one person by the highest class, anywhere in India, to the retired Presidents.

2. The Bill, if enacted, will involve expenditure from the Consolidated Fund of India. It is likely to involve additional recurring expenditure on the actual journeys performed by the retired Presidents.

C. K. JAIN,
Secretary-General.

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